

National Association of Securities Dealers, Inc.

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In the Matter of the Arbitration Between

Loreta T. Fama  
Claimant

PUBLIC

vs.

#91-03218

Citation Securities, Inc.  
Peter R. Cocciardi  
Respondents

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Representation

Claimant Loreta T. Fama appeared pro se.

Respondent Citation Securities, Inc. was represented by its President, Barry Russell.

Respondent Peter R. Cocciardi appeared pro se.

Case Information

Statement of Claim filed: October 11, 1991

Claimant's Submission Agreement signed on: October 7, 1991

Submission Agreement of Citation Securities, Inc. signed on:  
November 19, 1991

Statement of Answer of Citation Securities, Inc. filed on: November  
22, 1991

Submission Agreement of Peter Cocciardi signed on: November 22,  
1991

Statement of Answer of Peter Cocciardi filed on: November 25, 1991

Hearing Information

Hearing Date/Sessions: March 19, 1992/two sessions

Hearing Location: Boston, Massachusetts

Case Summary

Claimant Loreta T. Fama alleged that Respondents Citation Securities, Inc. and Peter R. Cocciardi placed her in unsuitable, risky limited partnerships entitle Equitec, I.R.E. Real Estate Fund, Public Storage, and SouthMark/CRCA. Claimant alleged that Respondents failed to disclose the risks involved in these investments, misrepresented the limited partnerships to her, and led her to believe that her investments were diversified. Respondent Citation Securities, Inc. maintained that the investments made through the firm were diversified as to sponsor, type of investment, time of investment, and amount of investment. Respondent Citation Securities, Inc. furt her maintained that all of their customers were presented with a prospectus and given ample opportunity to question any investment. Respondent Peter Cocciardi maintained that he discussed with the Claimant the suitability of limited partnerships, determining that she was suitable based upon her income and assets. Respondent Peter Cocciardi also maintained that he never gave the Claimant assurances of safety for any investment.

Relief Requested

Claimant requested damages of \$40,000.00 inclusive of a request for \$3,000.00 in punitive damages. Respondents Citation Securities, Inc. and Peter Cocciardi requested that the claims of the Claimant be dismissed.

Other Issues Considered and Decided

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

Award

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of all issues submitted for determination as follows:

- (1) After analyzing the Claimant's historic investment practices and the Respondent Peter Cocciardi's focus on a limited spectrum of investment vehicle, the panel has

come to the decision that both Peter Cocciardi and Loreta Fama bore some responsibility for the losses. Accordingly, the panel awards Claimant Loreta Fama the sum of Five Thousand Dollars and No Cents (\$5,000.00) against Respondent Peter Cocciardi.

(2) The claims of the Claimant against Respondent Citation Securities, Inc. are dismissed.

(3) The Claimant's claim for punitive damages is denied.

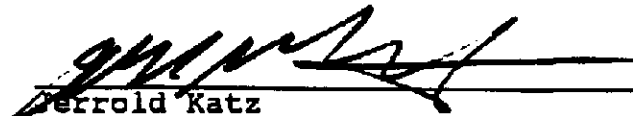
(4) The parties shall each bear their respective costs.

Forum Fees

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD, Inc. shall retain the \$400.00 hearing session deposit previously deposited by the Claimant. All other forum fees are waived.

Arbitrators' Signatures

\_\_\_\_\_  
Lucy Karl, Esq. (chairperson) Public Arbitrator

  
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Ferrol Katz Public Arbitrator

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James Fox Industry Arbitrator

DECISION

Dated: May 1, 1992

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(4) The parties shall each bear their respective costs.

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Lucy Kary  
Lucy Kary, Esq. (chairperson) Public Arbitrator

Jerrold Katz Public Arbitrator

James Fox Industry Arbitrator

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Jerrold Katz      Public Arbitrator

  
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James Fox      Industry Arbitrator

DECISION

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